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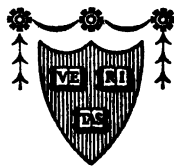
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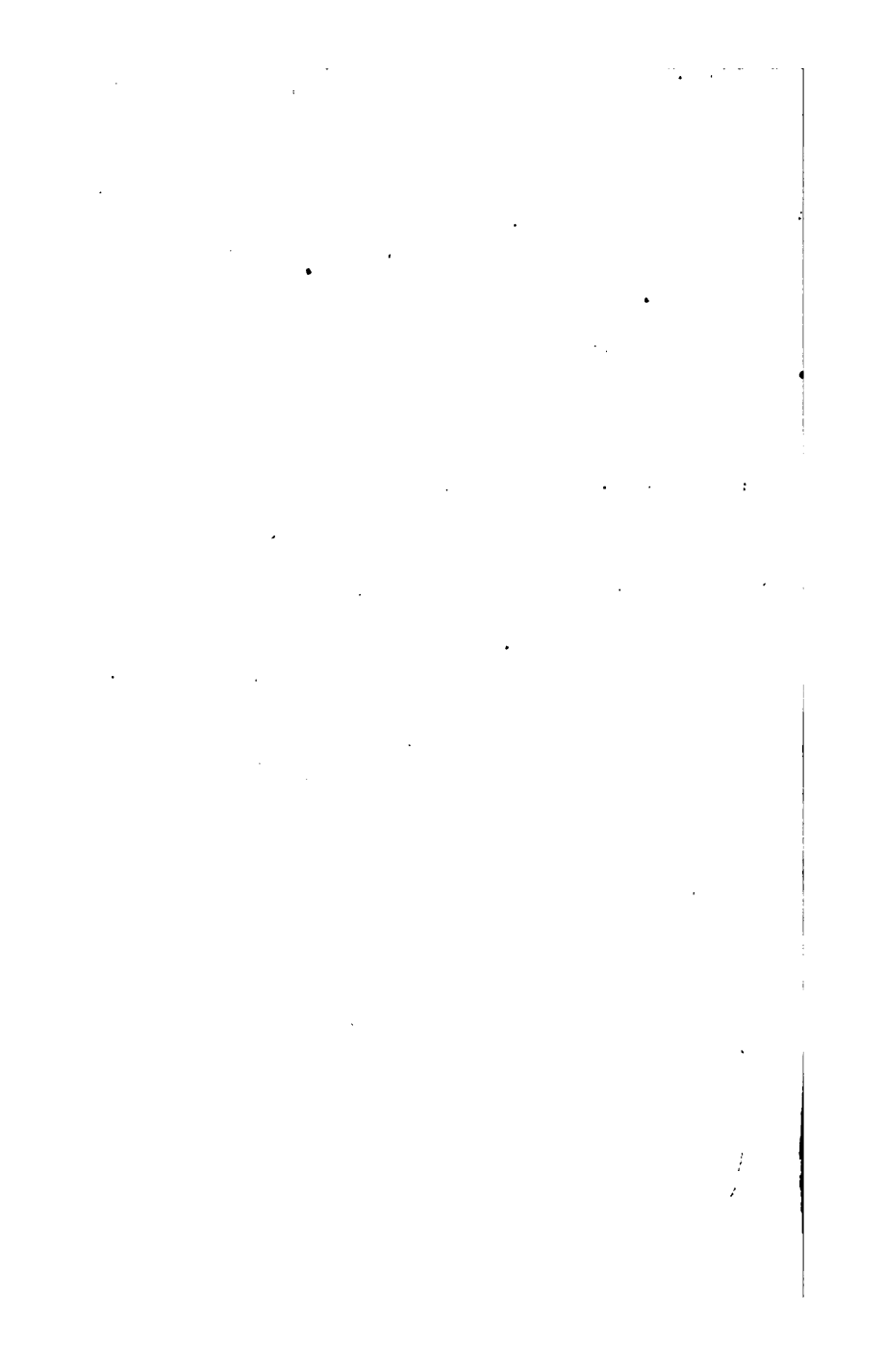
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FREE TRADE

AND

ITS SO-CALLED SOPHISMS:

A REPLY

TO

‘SOPHISMS OF FREE TRADE, ETC., EXAMINED

BY A BARRISTER.’

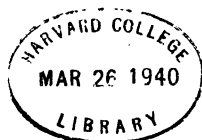
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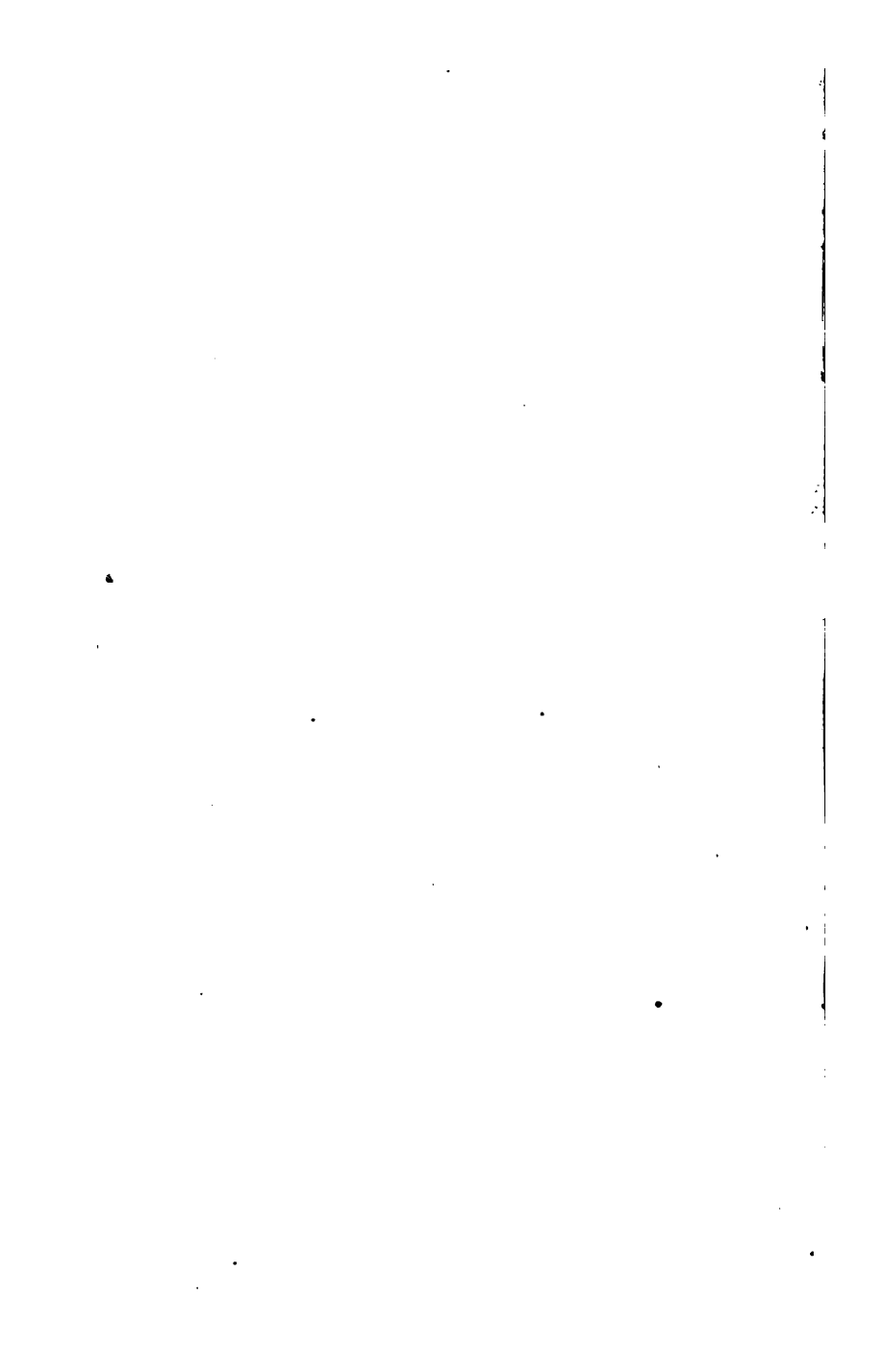
IT was scarcely to be expected that the Great Fallacy, which not long since received its death-blow so far as the British Empire is concerned, should be allowed to rest quietly in its grave. Attempts have from time to time been made to revivify the illustrious defunct; and (if report says true) some slight sign of returning consciousness—some faint convulsive movement of the inanimate frame—has been the result of the treatment applied to it by the Author of *Sophisms of Free Trade and Popular Political Economy Examined*.

It is not intended to follow the Barrister into those devious paths—those collateral disquisitions, wherein he so liberally luxu-

riates. The writer of the following pages desires to confine his attention entirely to those chapters of the work which bear directly upon the main question at issue between Protectionists and Free Traders—the question, whether the productions of a country should be secured by legislative enactment against competition with similar productions of other countries. For it must be observed, that the Barrister is no mere advocate of protection to agriculture. He fearlessly proclaims his belief in mutual impediments to commerce as conducive to the prosperity of nations—in the possibility that the necessaries of life may be too easily attainable—in the doctrine that a nation may be a gainer by an increase in the price which it pays for its purchases. And he proceeds to prove these certainly not self-evident propositions with a contemptuous brevity, which, had they been positive truisms,

might, perhaps, have been applicable, but is scarcely so when it is considered that their unsoundness has been demonstrated to the satisfaction of a large portion of society by such men as Adam Smith, Malthus, Ricardo M'Culloch, and John Stuart Mill.

Any attempt to refute errors which have been so fully exposed by those great authorities would have been as unnecessary as presumptuous, were it not that the Barrister has presented to us those errors clad, for the most part, in new habiliments. Thus attired, they appear to have imposed upon a considerable number of her Majesty's subjects ; and it has, therefore, been thought advisable to produce these pages, which were written some months ago, for the writer's own amusement, on the publication of the Barrister's first edition.



FREE TRADE,

AND

ITS SO-CALLED SOPHISMS.

‘POLITICAL ECONOMY IS A SCIENCE.’

THIS is the first of the ‘sophisms’ which the Barrister has condemned to death. He appears to consider it as one which must be demolished at the outset, or the cause of Protection is lost. *Why* he should so consider it, is somewhat difficult to perceive. The question, whether political economy is or is not to be termed a ‘science,’ can surely be of no moment in the discussion of such subjects as those to which his succeeding chapters mainly relate. Admitting, for the sake of argument, that political economy is *not* a science,—how does that admission assist the Barrister in proving that a country is

impoverished by 'buying in the cheapest market'—that 'industry is diffused' by a policy which tends to exclude its products—that in the exclusion of foreign goods there is no tendency to 'destroy external trade?' To the solution of such questions as the following — whether, by buying articles of foreign instead of those of native production, a nation 'loses,' as the Barrister phrases it, 'the entire value on one side of the exchange,'—the consideration that political economy is, or that it is not, 'a science,' is obviously and entirely immaterial.

It seems scarcely necessary, therefore, to discuss this 'sophism' with the Barrister. But as he appears to attach considerable importance to his view of the subject—which view, nevertheless, would seem to be erroneous—a few observations upon it may not be entirely superfluous. 'Political economy,' says the Barrister, 'is *not*, but *will be*, a science.' And he goes on to show how inconsistent and imperfect are politico-economic doctrines — how many politico-

economic errors have already existed—how many politico-economic truths are yet to be discovered. All this is, unfortunately, too true; but if, from these premises, we are to conclude that political economy is not a science, then must we also refuse to recognise as sciences Astronomy, Geology, Zoology, Medicine—every one, indeed, of those magnificent results of the investigation of truth which have hitherto been dignified by the name. Not one of them but has been infested by error—not one but has admitted every variety of opinion—not one but is in a condition capable of infinite amelioration. If political economy is to be denied the dignity of a science, its companions in degradation are at least neither few nor unknown to fame.

‘Political economists,’ concludes the Barrister, ‘look at England’s boundless wealth and hopeless poverty!—look at Ireland’s starving myriads! &c. &c. Is it incorrect to say that political economy *is* a science, or that it *will* be one?’ It will be admitted by

the warmest advocate of political economy, not only that the science is one which has not yet arrived at maturity, but that there is in this country a want of acquaintance with it in its present pupillary state, which has led and is leading to the most disastrous results. Of the fact last mentioned, there can hardly be a more striking illustration than the public favour with which the Barrister's own work is stated to have been received.

‘THEORY OF FOREIGN TRADE.’

THE object of the Barrister in this section is to show that Home Trade must necessarily be always more advantageous than Foreign Trade. As the subject is one of extreme importance, let us examine it closely.

The authority on whom the Barrister chiefly relies is Adam Smith, whom he calls ‘the Apostle of Free Trade,’ thereby leading us to suppose that free traders ought to adopt Adam Smith’s conclusions on this point. In a subsequent chapter, however, he tells us that Adam Smith is certainly inconsistent with himself on the subject, and that his admission now under consideration alone destroys the theory of free trade,—that admission being, that capital employed in foreign trade gives only one half the en-

couragement to the industry or productive labour of the country that capital employed in the home trade does.—(page 115.)* It is surely, therefore, scarcely fair in the Barrister to parade Adam Smith's authority as deciding the matter.

It may be as well to point out in what the inconsistency of Adam Smith consists. It is this:—One main object which he has always had in view in the *Wealth of Nations* has been, to prove that industry is in proportion to capital, and therefore we cannot lose by transferring capital from the home trade to the foreign trade, unless the effect of importing foreign articles is to force capital abroad, which he nowhere contends to be the effect.

He puts the case of Edinburgh sending Scotch manufactures to London, and London sending in return English manufactures to Edinburgh; and then assumes that Edinburgh begins to send her manufactures to Portugal instead. He contends that in the

* The pages throughout refer to the Barrister's First Edition.

former case the capital employed gives double the encouragement to the industry of the country that it does in the latter; or that, in other words, two British capitals are replaced by the first operation, and only one by the second.—(*Wealth of Nations*, book ii. chap. v. p. 164, M'Culloch's Edition.)

It is evident that the Scotchman would not abandon the London market for the Portuguese market, unless the change enabled him to dispose of his manufactures to greater advantage—i.e., unless the returns he received enabled him to give greater employment to industry at home. So far, then, as Edinburgh is concerned, the change produces unmixed gain. But how is London affected? The whole question turns upon this. If London still finds it to her interest to exchange her manufactures for those of Edinburgh, she will continue to do so, and the consequence will be, that additional capital and additional labour will be required in Edinburgh to meet the double demands of Portugal and London. But if London does *not* find it advantageous to

continue the exchange with Edinburgh, it will be because she finds a foreign market—say a French market—on better terms; and London will now reap precisely the same advantage from her new trade with France that Edinburgh reaps from her new trade with Portugal. Yet, in this case, a home trade has ceased, and a foreign trade commenced. It thus appears that home trade will not be exchanged for foreign trade, unless the result be alike beneficial to all parties.

Adam Smith, and, at his heels, the Barrister, further argue, that as a capital employed in the home trade will sometimes make twelve operations in the time that a capital employed in the foreign trade makes one, the one will give twenty-four times more encouragement and support to the industry of the country than the other.—(*Wealth of Nations*, p. 164; *Sophisms*, p. 11.)

It is indeed strange that Adam Smith (though not at all so that the Barrister) should have advanced this assertion. It is

well known to every one in any degree acquainted with mercantile transactions, that the average rate of profit upon all capitals, however employed, is the same. If the profit, for instance, on a capital employed in the foreign trade in an operation that occupies twelve months, be 6 per cent., the profit on a capital employed at home in twelve operations, that occupy twelve months, will also be 6 per cent., or $\frac{1}{2}$ per cent. for each operation. In fact, it is absurd to suppose that merchants would turn their attention to foreign trade if the home trade were so infinitely more profitable, particularly as the home trade offers so much wider a field.

It may be observed, *en passant*, that if the Protectionists are right in their theory, as to the greater importance of the home than the foreign trade, they ought to rejoice most heartily at the passing of the Bill for the Repeal of the Navigation Laws, because they proclaim that its effect will be to drive our shipping entirely out of the foreign

trade, while, at the same time, the coasting, or home trade, is strictly reserved for our shipping.

The Barrister puts his case as follows:—

The entire price or value of every *home made* article constitutes net revenue, net income to British subjects. Not a portion of the value, but the *whole value*, is resolvable into net income and revenue, maintaining British families, and creating or sustaining British markets. Purchase British articles with British articles, and you create two such aggregate values.

Whereas, on the contrary, the entire value of every foreign article imported is net income to the foreigner, and creates and sustains foreign markets. Purchase foreign articles with British articles, and you only create *one* value for your own benefit instead of creating *two*. You lose the acquisition of the entire value on one side, which you might have had, as well as on the other.

This would indeed be true, if, when we abandoned a particular trade in the home market for the same trade in a foreign market, *the whole operation stopped there*. As the Barrister says, we should then only create *one* value for our own benefit, instead of

two, leaving the benefit of the second value to the foreigner. But, as we have shown above, that is not the case. This operation necessarily leads to other operations, the effect of which is to create *two* values for our own benefit, and, in addition, two values for the benefit of the foreigner; the two values created for ourselves being each of them greater than the values formerly created by us.

The result then is, that not only does the foreigner gain by our applying to foreign markets, but that we also, so far from losing by so doing, are gainers too.

But the fallacy of the Barrister's reasoning shall be shown out of his own mouth. The following is the illustration he gives of his position:—

Suppose stockings, to the value of £500,000 a year, are made in Leicester, and exchanged annually for gloves to the amount of £500,000 a year, made in Dover; the landlords, and tradesmen, and workmen of Leicester and Dover enjoy together an annual net income of a million. Suppose, now, that for some real or supposed

advantage in price or quality, the Leicester people, instead of exchanging their stockings for gloves from Dover, exchange them for gloves from the other side of the straits, say from Calais, what is the consequence? It is this, that England loses, and France gains, half a million a year by the change. Englishmen have half a million a year less to spend; Frenchmen have half a million a year more to spend. English markets fall off to the extent of half a million a year; French markets are augmented by half a million a year.

Let us now assume that this is really the effect produced on this side of the channel, and examine, *in the Barrister's own words*, what will be the effect produced in France by the change of markets.

Suppose gloves, to the value of £500,000 a year, are made in Calais, and exchanged annually for stockings to the amount of £500,000 a year, made in Lyons; the landlords, and tradesmen, and workmen of Calais and Lyons enjoy together an annual net income of a million. Suppose now, that, for some real or supposed advantage in price or quality, the Calais people, instead of exchanging their gloves for stockings from Lyons, exchange them for stockings from the other side of the straits, (the case put by the Barrister,) say from Leicester, what is the con-

•

sequence? It is this, that France loses, and England gains, half a million a year by the change. Frenchmen have half a million a year less to spend; Englishmen have half a million a year more to spend. French markets fall off to the extent of half a million a year; English markets are augmented by half a million a year.

It therefore appears that, looked at from this side of the water, England *loses* £500,000 a year by importing its equivalent in gloves; and that, looked at from the other side of the water, England *gains* £500,000 by importing its equivalent in gloves! The Barrister is welcome to make the most of his reasoning and his illustration to boot.

The fact is, that the whole of the Barrister's arguments, so pompously put forward with capitals and italics in this chapter, and which he parades as important discoveries, are nothing more nor less than a succession of the most palpable truisms, which no Free-trader ever thought of denying. They may be summed up as follows:—

The entire value of every commodity constitutes revenue or income to a certain

number of persons who have been employed in producing it.

If British labour produces a certain quantity of any commodity, the value of such commodity contributes so much to the revenue of the country.

If, in addition to this, British labour produces a certain quantity of another commodity equal in value to the first, the revenue so produced is twice its former amount; but if British labour *does not*, the revenue will not be doubled, and the country will be so much the poorer.

In the concluding paragraph of this chapter, the Barrister casually puts forward the Protectionist theory of the *Balance of Trade*, and talks of the exportation of the precious metals to pay adverse balances. As he nowhere else puts forward the question very prominently, it may not be amiss to say a few words respecting it in this place—particularly as it is a favourite topic of the Protectionists.

The doctrine may be new to them, but is

nevertheless true, that a country cannot possibly prosecute foreign trade successfully unless the balance of trade be what is (most incorrectly) called *against it*—i. e., unless the value of its imports exceed the value of its exports. This doctrine may be best proved by an illustration.

A Liverpool merchant exports cotton goods to the United States to the value of £100,000, and accordingly, they will figure for that amount in the returns of the value of our exports. The charges for freight, insurance, &c., amount to 10 per cent., and the duty to 25 per cent., while the merchant's profit may be taken at 10 per cent. The goods will therefore be sold in the American market for £145,000; but as £35,000 will have been paid for charges and duty, £110,000 will be the amount which the merchant can lay out in the purchase of a return cargo—say of tobacco. The charges of various kinds will be again 10 per cent., and the merchant's profit will be 10 per cent.; so that the tobacco, which was worth

£110,000 in America, will be worth (in bond) £132,000 on its arrival in England, and will figure for that amount in the returns of the value of our imports. The Protectionist, on hearing that we have imported to the value of £132,000, and only exported to the value of £100,000, will exclaim, 'See the effects of your engaging in this accursed foreign trade. Your imports exceed your exports by £32,000, or not less than one-third; and if such a state of things should continue much longer, the sun of England's glory will set for ever. Confine yourselves, then, to the home trade; there will be no danger *there* of imports exceeding exports—no adverse balances to be paid in bullion. If you do this, your country may yet be saved.'

The fact is, that the truth is the *very opposite* of that which the Protectionist asserts. The so-called adverse balance is the real gain; and as soon as we find our exports systematically exceeding in value our imports, it will be high time to think of

setting our house in order, for we may be assured that our commercial greatness will then have reached its culminating point, and have begun to wane.

The bugbear that has been set up is the necessity of exporting bullion to pay adverse balances. It is utterly forgotten that gold is as much an article of merchandize as anything else, and that the evils caused by an excessive export of it must necessarily right themselves. If, for instance, we have a large balance to pay to France, the demand for bills of exchange becomes so great, that they are driven to a premium, and the exchange becomes unfavourable. The exporting merchant, finding that he can sell his bills at a premium to the importing merchant, will now increase his exports to France, in consequence of the virtual bounty he will receive, whereas the importing merchant, being obliged to pay a premium for these bills, will in the same way diminish his imports from France, in consequence of the premium he will have to pay. The

result will be, that the equilibrium will be restored, and the exchange equalized. It may be, perhaps, said that France will not require the increased exports that the exporting merchant will be able to send. This may indeed be the case as respects France, but as the merchant can now afford to sell his goods at a lower rate, in consequence of the premium on the exchange, an increased demand will spring up in other countries, and the same effect be produced.

Fact is, however, preferable to any argument, and we will therefore see what is the real fact as respects the so-called balance of trade in those countries, from which trustworthy returns may be obtained.

On the 3rd November last, the Hamburg *Börsen-Halle*, one of the most intelligent papers published on the Continent, gave a supplement, compiled from official sources, of the value of the imports into and exports from each of the following countries:—Great Britain, the United States, Belgium, Holland, Sweden, Russia, Austria, the

Zollverein, Bremen, and Hamburg, calculated on an average of years. The result showed that in all those countries, with the exception of Russia, Sweden, and the United States, the imports *invariably* greatly exceeded the exports in value. In the United States, they appear nearly to balance each other on the average, the imports being one year in excess, the exports in another. In Russia, however, there is invariably a large excess in the value of exports. The Protectionist will at once say that the balance is paid her in bullion, and there is no doubt that Russia does import a large quantity of bullion, and often (as was recently the case) prohibits its export. But when the bullion is taken into the account, and its amount is well known, the result still shows an enormous excess of exports. This is a strange fact, but, at any rate, it does not tell in favour of the Protectionist argument, because it shows that the balance is *not* paid in bullion to Russia.

Let us now look to less recent instances,

of which a crowd immediately present themselves. Sismondi mentions* that in the year 1800, France had to pay the sum of £2,000,000 sterling to foreign countries, in the shape of balances, and in 1801, no less than £4,500,000. This export of specie, if it had really taken place, would have absolutely exhausted France in her then state; but the real fact is, that during those very years the specie in circulation increased instead of diminished, thus showing that the trade in specie is entirely independent of the trade in merchandize. Lord Sheffield, in his well-known work on the commerce of America (of which the sixth edition was published in 1784), gives statistical returns of our trade with all countries since the year 1700. They show that the value of our exports to the United States on the average of ten years (from 1770 to 1780) was £1,331,206, and to the whole of North America, £2,156,479, while at

* *Richesse Commerciale*, tome i. ; p. 196.

the same time the value of our imports from the United States was only £743,560, and from the whole of America, £877,442. According to the balance-of-trade theory, those countries were then on the swift road to ruin, whereas it is notorious that they were at that time increasing in wealth most rapidly. Such examples might be produced *ad infinitum*; but what can be more striking than the fact, that at the present moment, when our imports are exceeding our exports in value so greatly, there is such a glut of money at home, that it is with difficulty that more than two per cent. can be obtained for it? The Barrister, indeed, says (p. 21) that this is owing to foreign disturbances, which have driven property here by millions. But the Barrister must well know that this abundance of money has only taken place long since the revolutions broke out, and that it was far from being so immediately after February, 1848, the time when foreigners had indeed reason to fear for the security of their property. Then was the

time which they would have chosen for sending money here, and not now, when quiet is being gradually restored.

It is not attempted to be denied, however, that the amount of bullion in the country has been to a certain extent increased by the foreigner sending over money for investment here; but it is absurd to suppose that its great superabundance arises from this cause alone.

Is the theory of foreign trade most correctly put forward by the Barrister, or in the above few pages?

‘BUY IN THE CHEAPEST MARKET.’

THE Barrister commences this section by admitting the soundness of this recommendation, provided every one is fully employed in producing the means of purchase; ‘but,’ he continues, ‘suppose the foreign market for exports to be (*as it always is*) limited, so that the preparation of exports will not employ the whole community, the case is at once changed.’

Here the Barrister adopts a course similar to that which he so much delights in, (see, for example, the section, ‘*Absenteeism is no evil*,’) of putting a case, taking for granted that the conclusions are wrong, and then inferring that the premises are erroneous—thus entirely begging the question. If we import, we *must* export; and the

foreign market for exports is only limited by our market for imports. It seems tolerably clear that if we export nothing we shall import nothing. But the Barrister himself elsewhere concedes this important point. For instance, he tells us, (page 83,) that the first indispensable pre-requisites for foreign trade are *exports*, which he himself calls the means of purchasing foreign commodities; that the ten millions' worth of raw cotton that we import annually from America constitutes a market in America for some British produce, (p. 85;) and again, in speaking of the possible production of Colonial sugar, which he describes as unlimited, he says that there is no limit to the production of the articles which would pay for it.—(p. 88.)

Reference has been made in the preceding section to the subject of the 'balance of trade,' and to the theory of the export of bullion to pay so-called unfavourable balances.

The Barrister's object in this section is to show that it is better to buy articles at

home, even although foreign markets are the cheapest. He gives various illustrations of his position; but concludes by guarding himself against carrying his theory too far, in the following words, to which the particular attention of the reader is invited.

The moment the price of the domestic commodity exceeds *by a certain proportion* the price of the corresponding foreign one, the main reason for producing at home ceases. Suppose even that wine could be produced in England at less than *twice* the price at which it could be imported, it might, on the principles above explained, be, under ordinary circumstances, for the advantage of England to buy, and not to grow it.

We will now take the Barrister's own supposition, and, without altering a single word of his argument, but merely making the requisite changes in the figures, apply it to his own illustration. *Wine* is the article specified above, *gloves* in the illustration—so we will adhere to the latter.

Suppose England to manufacture from English materials gloves to the amount of a million sterling a year.

Suppose that French gloves can be imported

cheaper by 50 per cent. than English gloves can be made, (this is the Barrister's supposition of the English article costing twice as much as the foreign article, when he allows that his theory does not apply,) it is the immediate pecuniary interest of all consumers to buy French gloves instead of English ones, and they will be bought accordingly. Let us see what individual glove-consumers have gained, and what the English nation has lost.

Gloves have in the aggregate cost those who wear them less money than before by 50 per cent. or a million sterling, that is by £500,000. Glove-consumers have gained by the change £500,000; but the nation has lost in the same year the million sterling, which used to maintain Englishmen, with their wives and children. Englishmen, as a body, have, by the change, lost a revenue of £500,000 a year.

But this is only part of the mischief; for though their revenue, their subsistence, is gone, the English men, women, and children remain, and must be supported by public charity.

The Barrister states, that in the above illustration he has given the Free Traders the benefit of various suppositions, all of which are untrue. Let us then admit this, and again quote his own words, only changing the figures to meet the case.

In addition to £500,000 a year lost as revenue, formerly supporting men, women, and children, you lose a market also for other productions to the extent of £500,000 a year, and are subject to all those numerous evils that afflict industry, when there is a tendency to the export of the precious metals.

Nor does the mischief stop here, &c.

It is easy to see that, by the Barrister's reasoning, a similar loss would occur to the country, even though British gloves cost a thousand times as much as French gloves, though, of course, to a smaller extent; while, on the absurd supposition that French gloves could be had for nothing, while English gloves cost us a million sterling, although there would be no loss to the country by having the French gloves instead of the English, yet there would be no gain—a thing manifestly untrue.

The Barrister's illustration, in page 22, where he supposes British wheat to cost 50s. and foreign wheat 40s., and argues that it is better for us to pay 50s. to the home grower than 40s. to the foreigner, may be dealt with in precisely the same manner, merely substi-

tuting 25*s.* for 40*s.* as the price of foreign wheat. *

Taking, then, the Barrister's theory of trade, and also his admission as to when it does not apply, it appears that if that theory is correct, it is of universal application, and admits of no exception whatsoever. What more is required to prove the incorrectness of the theory? The Barrister is condemned out of his own mouth.

‘FREE-TRADE WOULD COVER THE
EARTH WITH INDUSTRY, PROTEC-
TION CONFINES IT TO PARTICULAR
SPOTS.’

THE chapter thus headed is devoted by the Barrister to proving that, on the contrary, wealth and industry are diffused by Protection, and isolated by Free Trade.

This he attempts to show in the following manner:—

There are (he says,) some few countries in the world which enjoy peculiar facilities for the production of particular commodities, such as the South of France for wine, Cuba for sugar, some districts of England for coals and iron. But the immeasurably greater portion of the surface of the habitable globe consists of countries moderately—and but moderately—adapted for the production even of the necessities and comforts of life, of food, clothing, and lodging. These countries can, in every single article that they produce, be sur-

passed and undersold by some country or other. Put the case of such a country with *moderate* facilities for the production of most things, with *extraordinary* facilities for the production of nothing. It can grow wheat, but not so cheap as Poland; it can grow wine, but not so cheap as France or Spain; it can manufacture, but not so cheaply as England.

After stating that the condition of such a country under strict Protection would be perfectly satisfactory,—

Now imagine (he continues,) that country under a system of Free-trade,—of unrestricted imports. Except in a few favoured spots, it cannot grow wheat, for Poland will undersell it in its own markets; it cannot manufacture, for in cottons, hardware, woollens, and other products of manufacturing industry, England will undersell it; it cannot grow wine, for France or Spain will undersell it. Neither can it import its corn, its manufactures, or its wine, from abroad, for, its domestic industry being superseded and smothered, it has nothing to give in exchange. It becomes, then, in this condition,—it can neither make for itself, nor buy from abroad. It *goes without*, or if not entirely without, it is scantily and wretchedly supplied. A starving and ragged population derive a wretched and precarious subsistence from half-

cultivated land. It has neither domestic industry nor foreign trade.

Let us examine this argument closely.

The supposed country, argues the Barrister, cannot produce for itself, for since *it can import* foreign goods cheaper than its own, it will be undersold in its own markets, *It cannot import*, for as it cannot produce for itself, it has nothing to give the foreigner in exchange.

That is to say, *because it can import*, it cannot produce; it cannot produce, *therefore it cannot import*. In other words, it cannot produce, because it can do something, which, nevertheless, it can *not* do. It cannot import, because it *can* import. Most certainly, whatever be the character of its 'facilities,' the country itself must be a very 'extraordinary' one indeed.

Convinced, however, by this very conclusive reasoning, that his country can neither produce for itself nor buy of others, he naturally enough infers that it must 'go without;' but he adds, 'or if not entirely

without, it must be scantily and wretchedly supplied.' That is to say, though it cannot make for itself, nor obtain anything from elsewhere, it may still *be supplied*. The Barrister probably considers the philosophic axiom, *Ex nihilo nihil fit*, a 'sophism' such as those of Free-trade.

But how does the case of the supposed country really stand? Every article of its production is produced with less facility than the like article in some other country,—that is to say, it is dearer than it is in that other country. (This the Barrister expresses by saying that it possesses only 'moderate' facilities of production.) Now, is it not clear that such a country will import nothing, for the very sufficient reason that no foreigner will send his goods to it to be exchanged, since by the supposition he can get more for them elsewhere, and, therefore, that it may produce, under the utmost freedom of commerce, without the slightest fear of being interfered with in its own markets by the foreigner?

So far, however, from the condition of the

supposed country being that of 'immeasurably the greater portion of the surface of the globe,' the truth is, that *no* country is in such a condition. The constitution of Nature is such, that every nation has peculiar facilities for the production of some particular commodity or commodities. And if, between two countries, *A* and *B*, there is an exchange of that which can be produced cheaper in *A* than in *B* for that which can be produced cheaper in *B* than in *A*, mutual benefit is the necessary result. Each obtains from the other that which would cost more if produced at home; each gives a certain quantity of goods to the other, and receives in return that which is more valuable to it than what it gave. *A* and *B* may, if they please, refuse to make any such exchange,—that is to say, each may prefer to obtain a certain quantity of goods which it requires with more toil and trouble to itself than are necessary, and to keep to itself that for which it can obtain something more valuable in return; but it will hardly be contended that *A* and *B* are

increasing their wealth and prosperity by so doing. Yet this is that very principle of non-exchange upon which Protective duties are based,—this is that system, the adoption of which, in the Barrister's opinion, diffuses industry, wealth, and prosperity all over the globe.

‘PROTECTED MANUFACTURES ARE
SICKLY.’

IN this section, the Barrister endeavours to show that the proposition contained in the above expression is a complete fallacy—that all great manufactures had their origin in the protective system, and that without it they cannot thrive.

There is no doubt that, until recently, the governments of almost all countries considered that the way to establish an industry, and make it prosper, was to ‘protect’ it; and consequently, whenever an industry flourishes simultaneously with the existence of protection, a great shout of triumph is raised, as if the former were dependent on the latter—the old fallacy of *post hoc, ergo propter hoc*. It is only necessary to refer to the well-

known case of Tenterden steeple and the Goodwin sands for an illustration.

The real truth is, that British manufactures have constantly increased in importance in proportion as this so-called protection has been done away with. The manufacturers, feeling that the artificially enhanced prices which they formerly enjoyed were no longer to be obtained, have been obliged to exert themselves in a manner which they would not otherwise have done, and the consequence is, that the great industries of this country have made strides unexampled in the history of the world. In some instances, however, attempts have been made to stifle, instead of to 'protect' industries. And what has been the result? Let us take the case of cotton. Cotton is now by far the most important of our manufactures, and nothing shows this so strikingly as the fact, that out of a total export of enumerated articles in 1849, amounting in value to £58,848,042, cotton figures to the extent of £26,890,794. What is the history of this

trade? Why, so far from having been fostered in its infancy, every effort was made to cripple it. An Act was passed in 1721, imposing a penalty of £5 upon the wearer, and of £20 on the seller, of a piece of calico. This was done to encourage and 'protect' the linen and woollen industries. The next step was to authorize the wearing of calicoes, if the warp was entirely of linen yarn—(still 'protection' for linen!) In 1774, a law was passed, allowing, it is true, the use of printed cotton goods, but levying the enormous duty of 3*d.* per yard upon them, which was subsequently raised to 3½*d.* in 1806. At the present moment, the average value of the cotton exported is less than the latter sum. This Act remained in force till 1831, when it was entirely repealed. This does not look much like the fostering 'protection' of which the Barrister talks so much; yet, as the cotton industry is the most important in this country, is it not the one that should be produced to test the truth or falsehood of an assertion made so broadly, that 'all great

manufactures had their origin in the protective system'?

On the other hand, have the linen and woollen manufactures been injured by the competition of cotton being allowed? The Barrister himself will hardly venture to assert a thing so contrary to universal knowledge.

Let us now follow him a little into detail. He begins (p. 55) by producing France as an instance of a country that has thriven under protection, and goes so far as to say, that 'her manufacturing industry, though still inferior to ours, has nevertheless, since the peace, augmented in an even greater ratio, but under strict and jealous protection.'

Not a single figure does he advance in proof of this most monstrous, most untrue assertion. Let us see how the matter really stands. The chief distinctive articles of French manufacturing industry are silk manufactures, and wine; of British industry, cotton and woollen manufactures, and iron. The following is a statement of the exports of

those articles from the two countries in the years 1825 and 1847 respectively, showing the increase per cent. in each case. It has not been possible to procure access to French returns, that can be relied upon, for a date earlier than 1825; and, for the sake of uniformity, the same year is chosen for England; 1847 is chosen in preference to a later year, as having been free from political convulsions:—

	Exports in 1825.	Exports in 1847.	Increase per cent.
French Exports:—			
Silk Manufactures - - Kilogs.	1,010,111	2,010,559	99
Wine - - - - - Litres	102,583,556	153,971,438	50
British Exports:—			
Cotton Manufactures - Yards	336,466,698	942,540,170	180
— Yarn - - - - lbs.	32,641,604	120,270,741	269
Woollen Manufactures, viz.:—			
By the Piece - - - Pieces	1,742,504	1,989,810*	14
— Yard - - - Yards	7,804,053	39,295,386	408
Iron and Steel - - - Tons	34,372	549,709	1500

This Table shows tolerably clearly how

* 2,864,727 pieces in 1844, or 64 per cent. more than in 1825.

utterly unfounded is the Barrister's assertion.

But nothing affords a better illustration of the effects of the protective system in France than the case of linen manufactures. They are protected by most exorbitant duties; and the amount exported in 1825 was 1,836,544 kilogrammes, besides lace to the value of 1,157,542 francs. In 1847, the export had actually fallen off to 1,496,378 kilogrammes, and lace to the value of 676,496 francs. On the other hand, the exports of linen manufactures from the United Kingdom, which amounted in 1825 to 51,597,533 yards, had increased in 1847, when a system of Free Trade prevailed, to 89,329,310 yards.

The Barrister next proceeds to Germany, and talks much about the prosperity of that country under protection. He is perhaps not aware that, in spite of this, there is every reason to believe that a great change will shortly be made in the Tariff of the Zollverein, whereby the great principle of exempting the food of the people from

taxation will be distinctly laid down, and that a most interesting and valuable Report on the subject has been drawn up and published by a Committee appointed to examine into the question. And if Austria has it really at heart to join the Commercial Union, she will only be admitted on condition that she effects a great reduction in her Tariff. The Barrister states, with a considerable amount of boldness, that we have comparatively little trade with the Zollverein, probably being misled by the fact of seeing that the value of our exports to *Prussia* are stated to be only about half a million annually. But the truth is, that our exports to the Zollverein go almost entirely through the Hanse Towns, whose own requirements are, of course, very small; and yet the exports to them, in 1848, amounted to £4,669,259, or more than to Russia, France, Spain, and Portugal put together. And this is what the Barrister calls a 'comparatively little trade!'

Russia is the next country that the

'Barrister' visits, and on whose protective policy he descants. But even here the tendency has for some time been to relax restrictions, and every change made has been in this sense; and it is very currently believed that a great reform will shortly be introduced there. As to the Barrister's statement, that the protected manufactures of Russia 'are now so advanced and flourishing as to threaten a rivalry with Great Britain herself,' the thing is simply ridiculous, and does not require further comment.

With respect to Belgium and the United States, the last countries contained in the Barrister's category of protected elysiums, a few remarks will be found elsewhere, (pp. 85—88.)

On the other hand, Switzerland has always had the good sense to pursue a policy of Free Trade, and in no country is the well-being of the people so universal, despite every natural obstacle.

‘PROTECTION WOULD DESTROY
EXTERNAL TRADE.’

IF this be a sophism, it is one which bears a marvellous resemblance to a truism. To say that Protection, exactly in proportion as it excludes foreign produce, injures external trade, which is all that Free-Traders can be accused of asserting on the subject, is to state that which it seems somewhat paradoxical to deny.

The Barrister, however, does not hesitate to deny it. After remarking upon the extent to which England has flourished under protection, he endeavours to show that England has flourished *owing* to protection.

In the first place, (he says,) with protection and a certain home-market have arisen the *means of purchase*. Under a strict and jealous system of protection, we have seen the rise of Manchester, Birmingham, Sheffield, Merthyr, Leeds, Glasgow,

Huddersfield, Bradford, Nottingham, Coventry, Leicester. We have seen skill and machinery brought to perfection. Protection has not blunted the invention or superseded the ingenuity of our countrymen. On the contrary, our cottons, and woollens, and hardware, are the best in the world. What England would have been *without* protection from foreign manufactures, we know not. She might have been what Ireland now is without protection from British manufactures. But it is certain, that *with* protection the means of purchase have been created and multiplied in a degree so marvellous that it has transcended all anticipation. Had the manufacturing prosperity of England been matter of history, it would have been deemed incredible and fabulous. Our means of purchase are immense and inexhaustible. All we now want is markets; but markets for the support and existence of these means of purchase, as well as for their increase. A sure market created them; insecure and precarious markets will destroy them, and leave in their place a wretched and discontented population. Thus with protection has arisen the first indispensable pre-requisite for foreign trade—things to give in exchange for foreign commodities,—in other words, the means of purchase—exports.

Protection, he argues, has encouraged external trade; for it has created ‘the means

of purchase — exports.' But how has it created exports? 'By creating,' he answers, 'markets for them.' That is to say, by the protective system, which would compel British subjects to trade only with British subjects, we create markets for, and thus call into existence British products, rather than by the free-trade system, which opens to them the commerce of the world. To limit the number of customers with whom a producer may exchange his produce is certainly a strange way of 'creating markets' for that produce.

But it appears that the English market is 'sure'—the foreign market 'insecure and precarious.' Throughout his work, the Barrister seems impressed with a belief in some wonderful power resident in the Englishman, though denied to the rest of mankind, which enables him to purchase, at any moment, any given quantity of commodities which may be offered him in exchange. The detection of this strange delusion in the mind of the Barrister throws considerable light upon

several passages of his book, which, without its help, would be of almost Eleusinian mystery.

Having satisfied himself, however, that protection creates external trade, the Barrister proceeds to enumerate the classes of foreign articles which he considers ought to be admitted, under a system of protection, for consumption in this country. These are—

I. Articles which our soil and climate cannot produce, such as tea, coffee, sugar, &c.

This concession is satisfactory as showing that he is willing to admit that it is better to buy what we want of the foreigner, than to go entirely without it.

II. Articles which we could produce at home, but at a disproportionate cost. Wine, for example, could be manufactured in England. But the cost would be many times the cost of Spanish, Portuguese, or French wine, to say nothing of its inferior quality. It may, on the one hand, therefore, be perfectly true, that by buying foreign articles instead of home-made articles, the nation loses the entire value on one side of the exchange, and yet on the other hand true, that to manufac-

ture wine instead of buying it from abroad, would be a losing process even to the nation at large.

It has been shown,* on the contrary, that if by buying the foreign instead of the home-produced article, the nation 'loses the entire value on one side of the exchange,' then, however high the comparative price of the home-produced article, the nation must lose by buying the foreign article, except in the impossible case of the foreign article costing *nothing*, in which case, moreover, (supposing it possible,) the nation would *not gain*. Foreign wine, then, as well as everything else of foreign production which could by any possibility be produced on British soil, at however enormous a cost, ought to be rigorously excluded, according to the Barrister's reasoning, from the ports of the British Empire. Was ever 'reductio ad absurdum' more complete?

III. The raw material of manufactures, such as raw cotton, raw silk, wool, timber, and hides.

* Page 33, *et seq.*

It immediately appears, however, that protection is not to be dispensed with in favour of these articles; for the Barrister tells us that 'they should be supplied, whenever it is reasonably practicable, by our own Colonies.'

We now import (he adds) annually from the United States of America, raw cotton to the value of more than ten millions sterling. The whole of this amount of cotton, and five times as much if it were wanted, might, under a proper Colonial system, be supplied by our own East Indian dependencies. This sum of ten millions sterling is now entirely American income. It might have been entirely British income. This sum of ten millions now constitutes a market for American produce, and at present (though it is to be feared but for a short and precarious season) for some British produce. It might have constituted a certain, permanent, and increasing market for British produce exclusively.

Here we have our old acquaintances—the 'entire value' fallacy, and the 'market' fallacy. England has lost, says the Barrister, the sum of nine millions, all of which is gone as clear income to America, and to constitute a market for American produce;

or, as he has before expressed it, England has lost the 'entire value on one side of the exchange, and a market to that amount.' It is conceived that the unsoundness of both these influences has already been sufficiently demonstrated.

He continues his argument as follows :—

Suppose British cotton to be but ten per cent. dearer than American cotton, the popular political economy would still say, 'Buy American.' See the consequence. The British Empire loses ten millions and gains one; that is to say, it loses nine millions sterling per annum, and, moreover, loses a market of that annual amount.

Now, America certainly does not give us her cotton for nothing. She must take something from us (say hardware) in return. Suppose, then, an American 'Barrister' discussing the sophisms of free trade. Suppose him, moreover, using the very same argument, expressed in the very same words (*mutatis mutandis*), as that of our British 'Barrister.' He will argue thus—

Suppose American hardware to be but ten per cent. dearer than British hardware, the popular

political economy would still say, 'Buy British.' See the consequence. The United States lose ten millions and gain one, that is to say, they lose nine millions sterling per annum, and, moreover, lose a market to that annual amount.

The British Barrister asserts that England loses (i.e., the United States gain) nine millions: the American Barrister that the United States lose (i. e., England gains) nine millions. Yet, if one is right, so must be the other. If it is true that England loses nine millions, it is also true that she gains nine millions by the transaction. She may make herself, therefore, perfectly easy under the circumstances.

Nor is this all, (continues the Barrister.) By far the greater quantity of American cotton is brought over in American ships.

He thus raises, in a very few words, the somewhat intricate and laborious question as to Navigation Laws, which it will be time enough to enter upon when the Barrister shall have written a book upon the subject.

We say nothing (he adds,) of the uncertainty of the American supply, a falling off in which

precipitates at once populous English cities, whole English counties, into ruin ; nothing of the rapidly increasing cotton manufactures of the United States buying away from us the cotton in their own markets, and by our policy enabled to do so. Nothing of French or other competitors for American cotton.

That is to say, England should buy her cotton of her colonies, not of the United States :—1st, Because the American supply is uncertain. And why more uncertain than that of the colonies? Are the seasons less variable in the colonies than in the United States? or is this again the ‘market’ fallacy? 2ndly, Because the United States themselves, France, or other countries, may buy their cotton away from us. Is it not evident that such a contingency would lead to the very result which the Barrister considers most desirable, namely, the cultivation of cotton by our own colonies?

He next replies to the very reasonable objection, that ‘an increase in the price of the raw material will injure the export of the manufactured article.’

His answer is threefold.

1. There will, in the long run, be no increase at all in the price of the raw material. It is even probable, that by the introduction of Railways, and improved means of cleaning the cotton, our own Indian cotton will very soon be both cheaper and better than ever American cotton has been.

It appears, then, that the protection which he advocates for our colonial cotton is only temporary; for, after a time, he considers it would be cheaper than foreign cotton, in which case it would require no protection. And if there be at any time a reasonable probability that cotton can be produced 'cheaper and better' in India than elsewhere, it will certainly not be long before our capitalists turn their attention to its cultivation there, without the artificial encouragement of temporary protective duties.

2. Even if there were for a short time a small increase in the price of the raw material, it would hardly be appreciable in the price of the manufactured article.

All that is meant by the objection here answered by the Barrister is, that the *ten-*

dency of buying the dearer instead of the cheaper raw material, is to raise the price of the manufactured article. This he will hardly venture to deny.

3. Supposing even some small temporary decrease in the foreign sale, an entirely new market, to the extent of ten millions per annum, is opened up in India ;

which market, of course, is 'certain,' while that of the foreigner is uncertain. The Barrister loves his 'market' delusion 'not wisely but too well.'

IV. The protective system would not exclude, when necessary, the importation of the food of the people. The advantages of a low exchangeable value of food cannot be over-rated. But there is one thing of much greater importance than even its cheapness, and that is, its *accessibility*. Food should not only cost as little labour as possible, but be attainable by him who has labour to offer. With a view as well to the steady low value, as to the accessibility of food by the people at large, with a view to the full and various employment of the people in its production, with a view to the improved and complete cultivation of the soil, a judicious system of protection would give certain

advantages to its production at home and in the Colonies.

Protection, then, such as the Barrister would recommend, would not exclude, 'when necessary,' the importation of agricultural produce. This leaves us very much in the dark as to the amount of protection which he considers desirable, and how far short of starvation its operation would cease. The answer to this question depends entirely on what may be his interpretation of the term 'necessary.'

It is evident, however, that in his opinion British agricultural produce should enjoy a considerable amount of protection; and his reason for this opinion is as follows:—Free trade, he argues, cheapens agricultural produce; protection renders it accessible. But accessibility is more desirable than cheapness; *ergo*, as regards agricultural produce, protection is more desirable than free trade. Now, it is rather difficult to perceive in what way a commodity can be comparatively cheap and comparatively inaccessible at the

same time. It is accessible, because it is cheap; it is inaccessible, because it is dear. If it is comparatively cheap, and yet comparatively inaccessible, its cheapness must be nominal, not real. Free trade, then, if it renders corn cheap, must also render it accessible.

Or, will it be said that the cheapness which free trade produces is that very 'nominal, not real,' cheapness,—that is to say, that it lowers the price of the commodity to which it is applied, but raises that of other commodities? If so, the remedy is the very reverse of that which the Barrister would recommend; for it is to apply free trade universally, so as to lower the price of all commodities alike.

‘ALL COMMODITIES SHOULD BE RENDERED AS CHEAP AS POSSIBLE.’

THE Barrister prefaces his remarks upon this very reasonable proposition by a definition of cheapness.

He attributes to it three different senses:

1. Cheapness in money — i. e., a low money value.

2. Cheapness in other commodities — i. e., a low exchangeable value, estimating that value in other commodities.

3. A low value, as estimated in the labour bestowed on an article.

And then, with a prophetic anticipation of the effect which his arguments are about to produce upon the patience of his readers, he invokes a *calm* examination how far and to whom these different kinds (as he considers them) of cheapness are beneficial.

The first—viz., the high value of money, as compared with other commodities, thus rendering them nominally cheap, he rightly observes is a thing in itself wholly indifferent; but that the increased value of the currency, in a country where debts have been contracted and engagements entered into, under a different state of things, is tantamount to a transference of the difference from the pocket of the debtor to that of the creditor; and that, as the productive classes are, for the most part, in the former category, such an increase must be attended with injurious effects to the industry of the country where it takes place.

The two other kinds are, in fact, one and the same, the value of every commodity depending upon the amount of labour necessary to produce it. These may both, therefore, be considered together.

This (says the Barrister,) is the cheapness created by more fertile soils, improved methods of cultivation, more powerful manures, improved

machinery, the subjugation to human uses of the great powers of nature, like steam, electricity, &c. This cheapness results from a more complete and extended dominion of man over nature. It is the gift of a beneficent Providence, to be wisely improved and directed to the benefit of the masses. I say, to be wisely improved and used, for even this cheapness is of itself but the raw material of national wealth and happiness; alone, it will leave the masses as miserable as it finds them . . . for their benefit, it is not enough to make things cheap, they must be made *accessible*—*attainable* by the multitude . . . what the masses want is the means of purchase—the only means of purchase they possess are the wages of their labour; in a word, employment is their means of purchase.

You may have cheapness without full and various employment for the masses; that is, cheapness without plenty. You may have full employment for the masses without cheapness—that may be competency, or even plenty, without cheapness. The aim of all good legislation should be to unite cheapness with plenty; and if you must choose between the two, which shall be chosen?—cheapness for the benefit of the few, or plenty for the benefit of ALL? Doubtless, plenty. The study, then, of every government should be the *full and various employment of the people*. The test of every measure should be—will it promote the employment of the people?

The argument of the Barrister, as given above, with one or two merely verbal abbreviations, if it means anything, means this: the less labour required to produce a thing, the cheaper it is—i. e., cheapness implies a small amount of labour. Now, the less labour, the less employment; and the end of all government being the employment of the people, it follows that cheapness is an evil.

To a mind so accustomed to the superficial treatment of these subjects, it may be a painful effort to trace the operation of the cheapening process to its ultimate result; but the attention of the Barrister is, nevertheless, invited to the following case:—

Suppose that the whole of the corn required for the consumption of the country were to spring from the ground by a spontaneous effort of Nature, without the intervention of human labour, what would be the result? The whole of the capital and labour hitherto engaged in producing it would be set free, and would be at liberty

to supply some further want of the community. (To suppose that such further wants do not exist, is to suppose that every one has everything he wishes for that human labour can supply,—which is absurd.) They will, accordingly, forthwith open some new branch of industry, hitherto undeveloped for want of capital and labour. Now, if the proportion between the capital and the labour thus set free remains the same, which, *primâ facie*, would be the case, the rate of wages to the labourer would remain unchanged; and as he will procure his corn considerably cheaper than before, he will be to that extent a clear gainer, in common with every corn consumer in the country. But if, on the other hand, there exists in this country a mass of population hitherto dependent upon charity or casual employment, as soon as the rate of wages in the labour-market becomes more than enough to supply the bare necessities of life, this population will enter into competition with the original labourers, and

again bring down their remuneration to this level. In this case, the condition of each individual labourer will be the same as before the change; but the greater cheapness of corn has provided the means of employing a much greater number of labourers than before, and as these were before necessarily supported out of funds which were, to that extent, unproductively expended, there will be just so much further capital set free to create a still further demand for labour.

But the Barrister would say that the spontaneous production of the corn by nature would be a national calamity, because it would obviate the necessity of employing human labour to raise it! If he will not admit that he is guilty of so glaring an absurdity, he must be reminded that it is the ruling idea of his whole work, and that the substitution of cheap foreign corn for dear home-grown corn produces, to the extent of the difference, precisely a similar effect to that described in the case above quoted.

There exist, in every civilized country, three necessary elements of production—natural resources, capital, and labour—and, on the proportion of these three to each other depends their relative value.

Where natural resources abound, and capital and labour are scarce, the value of such resources is small: under contrary circumstances, it is high.

Where capital abounds, natural resources are limited, and labour is scarce, the profits of capital must be small; and when the reverse is the case, they will be high.

Where labour abounds, natural resources and capital being limited, labour must be ill-remunerated, and it will be highly paid where these abound. This being the case, every change in the proportion of one of these conditions affects the other two; in the case under discussion (cheapness resulting from an extension of natural resources), the increased extent of these natural resources enhances the value of capital and labour; in other words, increases the demand for both,

and is and must be a clear gain to the whole community.

Suppose that, by the stroke of a magician's wand, you could double the productive power of every labourer in the country, each man being enabled to produce twice as much in a given time as he could before, what will be the result?—the country will be twice as rich as it was before—capital will make double profits—the remuneration of labour will be doubled.

But, says the Barrister, you may have cheapness without plenty; of course you may, if by plenty he means an abundant supply of everything to everybody: this is dependent upon wholly other conditions, viz., the proportion between population and capital; but it is undeniably true, that in whatever country such a state of things exists, if dearness were to take the place of cheapness, there would be far less plenty. 'You may have full employment for the masses without cheapness,' says the Barrister;—of course you may; but, wherever this is the

case, the introduction of cheapness would render such employment so much the more remunerative.

Happily, therefore, the painful necessity of choosing between 'cheapness for a few, or plenty for all,' can never arise; plenty and cheapness are inseparable—the one is the inevitable result of the other—they must advance or recede together. Providence, in the exercise of a wisdom more enlightened than that of the Barrister, has forbidden, by a chain of laws as certain as they are beautiful, the appropriation by the few of gifts intended for the whole human race that come within the sphere of their influence; and nature, while she rewards with a temporary and with limited advantage the industry or genius which first unlocks her treasures, ultimately devotes them to the common use of all her children.

‘FREE IMPORTATION IS THE SOURCE
OF PLENTY:
PROTECTION, OF SCARCITY.’

There are (says the Barrister) two sorts of Plenty. One sort of plenty is a mere relative plenty, when there is more than individual consumers can buy and pay for. This sort of plenty free importations do undoubtedly tend to create, and that in two ways; for they at once increase the supply and diminish the means of purchase. But another, and a much better sort of plenty, is an abundance at once absolute and *accessible*. When there is as much as the masses want, combined with *accessibility*. When there is enough for the multitude, and the multitude can *get at it*, and enjoy it.

This is the sort of plenty at which government should aim. This is the only plenty by which the masses profit. But this plenty depends on the *means of purchase* enjoyed by the multitude; their means of purchase depend on their full and various employment, their full and various

employment on their producing as much as possible *at both ends of the Exchange*.

‘If,’ (he argues,) ‘I allow of free importation, I increase the supply and diminish the means of purchase.’ That free importations increase the supply is tolerably clear; but how do they diminish the means of purchase? The Barrister is here speaking of free importation generally—of the free introduction from abroad of all articles of consumption. Now, suppose a country, all whose inhabitants are producers as well as consumers, under a strict system of protection. Each class of producers in the country is engaged in exchanging its produce for that of another class of producers. Next, suppose that protection is suddenly abolished, and that the supply of every article of consumption in the country is increased to an equal extent by importations from abroad. The consequence is that every article of consumption in the country is cheaper. The producer of each article will exchange fewer

of his goods than he did before; but, on the other hand, he will receive more in return for them, since all other articles of exchange are more plentiful. The question then is, What proportion does the advantage which he thus derives as a consumer, bear to the disadvantage which he incurs as a producer?

It is clear that the former is amply sufficient to overbalance the latter, since, by the supposition, the whole nation, though consisting of producers, is better off—it possesses more of the necessities of life.

The fact is, that the Barrister in this chapter has adopted that most Bæotian of all errors which leads to legislation for the *producer*, as against the *consumer*. ‘Plenty,’ he says, ‘depends upon the *means of purchase*,’ by which he means that if a certain, (that is) a comparatively high price be not insured to the producer for that which he produces, plenty will empty her horn upon the earth in vain. The confusion of ideas which has given popularity to such reasoning as this seems almost incredible. Is it not

evident that the interest of the producer, as a producer, is the scarcity, the '*inaccessibility*' (as the Barrister would term it) of the goods which he produces, and, therefore, that, by legislating for producers, as such, we are promoting scarcity, encouraging inaccessibility, and that the very reverse of this is true with regard to the consumer? Protection favours the producer—that is to say, it encourages scarcity: free trade favours the consumer—that is to say, it promotes plenty. And yet their comparative merits are made the subject of grave discussion!

‘ABSENTEEISM NOT AN EVIL.’

THE Barrister's chapter upon this subject might be supposed to have been written with the laudable object of compressing the largest possible amount of logical error into the smallest possible space.

His argument is as follows:—

Mr. Macculloch lays it down distinctly, that if an Englishman of fortune, drawing his income from England, instead of spending it on English commodities at home, spends it on French commodities in France, England loses nothing, and France gains nothing, by his so doing. Of course it follows that if all the nobility and gentry of England were to do the same; that is to say, were to emigrate and spend all their English income in France, France would be no richer for it, and England no poorer. *Now, this is so manifestly untrue*, so contrary to the experience of every French and English shopkeeper and artizan, that one is curious to see by what process of reasoning

it is that so eminent a political economist has drawn so startling a conclusion.

His premises are these: he says, were the Englishman to live at home, and use none but foreign articles in his establishment, he would give the same encouragement to British industry that he would do if he were to use none but British articles. Therefore he must, it is obvious, do the same should he go abroad.

Now, if the conclusion be (*as it certainly is*) untrue, and yet if this conclusion certainly follow from the premises, the fault must be in the premises. It cannot, then, be true that the use of foreign articles at home gives the same encouragement to British industry as the use of British articles.

The proposition as to the effect which would be produced were all English gentlemen to live abroad and spend their money abroad, is stated in the above-cited argument to be 'manifestly untrue.' 'Manifestly'—to whom?—not certainly to the readers of Mr. Macculloch; for every single argument which he uses to prove that the absenteeism of one English gentleman is not injurious to English industry, is of equal force in proving that the

absenteeism of *all* English gentlemen would not be so. By proving the first proposition, Mr. Macculloch proves the second—and the Barrister cannot disprove the latter, without first disproving the former. This he does not attempt to do, merely stating that the latter is ‘manifestly untrue’—a simple, but not a very satisfactory solution of the difficulty.

To proceed with his argument;—by a tolerably well-known law of syllogistic reasoning, when I wish to demonstrate the falsehood of a certain conclusion, which, nevertheless, I admit to be fairly deducible from its premises, I am bound first to show the falsehood of one or both of those premises, whence I may properly infer that of the conclusion. The Barrister directly reverses this long-established order of things. Having undertaken to prove that Mr. Macculloch’s conclusion is false, he begins by asserting that it is so, and thence infers that one of the premises from which it is deduced is false also.

He seems to imagine, however, that asseverative vigour will compensate for argumentative weakness. 'No!' he exclaims, with emphatic energy, 'absenteeism is a great pecuniary evil both to England and to Ireland.'

It may be well, then, briefly to state upon what grounds it is contended by Free-traders that absenteeism, *economically* considered, does not injure the country of the absentee. Their reasoning is this :—A person living in England, and buying foreign goods instead of English goods, does not by so doing injure English industry. If the same person lives abroad and buys foreign goods, the case is not altered. In both cases, he spends upon foreign goods the money derived from the employment of English industry. The foreigner in either case gains as much as, and no more than, in the other. The English producer in either case gains as much as, and no more than, in the other. This reasoning obviously applies equally, whatever be the number of absentees; and it ap-

pears unanswerable, supposing the major premise of the syllogism, namely, that the English resident in England does as much good to English industry by buying the foreign as by buying English goods, to be true. *Whether* it be true, is a question which has been answered in a former part of this work, it is conceived upon reasonable grounds, in the affirmative.

That absenteeism, morally and socially considered, may injure the country of the absentee no one surely would be bold enough to deny.

‘OTHER NATIONS WILL FOLLOW OUR
EXAMPLE.’

THE object of the Barrister, in the chapter in which he examines the above position, is to show that foreign countries have not, and probably will not, follow us in the path of Free Trade, and thence to infer that we ought to retrace our steps in that path.

The latter is a favourite argument with Protectionists. But what is its worth? Our position is, that Free Trade is good in itself. We would doubtless prefer that the foreigner should follow our example, so that double good may be reaped. But if he will not, shall we therefore reject that portion of good which it is in our own power to secure? Shall we prefer no bread to half a loaf? Shall we refuse to buy in the cheapest market, because we cannot sell in the dearest?

And now let us examine how far the Barrister is correct in his facts. He states roundly that since we have adopted a free-trade policy, all the changes that have occurred, or seem likely to occur, in the policy of foreign nations, are changes the other way, i. e., in the way of protection. It is really strange that any one should have ventured to put forward such a statement without inquiring into its truth. The very reverse is the case. Let us first examine the instances he adduces. He states that 'Hamburg, the last fortress of free trade on the Continent, has determined to join the German Protectional League.' Why, Hamburg has just been proclaiming to the world her unchanged adherence to those great principles of commercial liberty to which she believes her pre-eminence to be chiefly owing; and the Barrister must wilfully have closed his ears, if he has heard nothing of the great commercial reform now in contemplation by the United States of Germany. Next, 'Switzerland has augmented her im-

port duties.' She has done so, to a small extent, it is true; but what of that? What native interests does Switzerland seek to protect? She is in want of money, and seeks to obtain it by customs' duties. There is every difference in the world between duties for revenue, and duties for protection, as the Barrister must know full well.

'France has recently inaugurated the statue of Colbert at Rheims, his native city.' And France has done right in thus delighting to honour a great man. As a financier, Colbert was most successful. He found France bankrupt, and by his financial talent filled her treasury. But what were the effects of his commercial policy? To secure plenty at home, he prohibited the export of corn. The consequence was, that agriculture declined, and the people were in danger of starving. To encourage home manufactures, he imposed very high duties on foreign manufactures. When he refused to moderate them in favour of the Dutch, the latter prohibited, in 1671, the importation of French wines,

brandies, and manufactures; and this commercial dispute was partly the cause of the war of 1672. On the peace of Nimeguen, in 1678, the French moderated their duties in favour of the Dutch, and the Dutch took off their prohibitions, in favour of the French. This is a very good illustration of the practical effects of Colbert's commercial system. It may not be amiss to record here the well-known answer he received from an experienced and long-headed merchant whom he consulted as to the best method of promoting commerce — '*Laissez faire, et laisser passer*' — a maxim which, as respects matters of trade, deserves to be written in letters of gold.

'Belgium and France, not content with Import duties, have resorted even to Bounties on Exportation.' We are so dull as to fancy that we ought to be deeply grateful to the Belgian and French governments for thus enabling us to purchase goods for a less price than their cost of manufacture.

But the truth is, that the bounties which were granted by the Provisional Government of France, immediately after the Revolution of February, 1848, on the export of Linen and Silk manufactures, and which amounted to four-and-a-half per cent., *ad valorem*, expired on the 31st of December of that year, and although drawbacks are still allowed on the exportation of certain articles, those articles are not numerous, and the bounties on them are payable by virtue of long existing laws, and, moreover, are only intended to counterbalance the import duty on the raw material.

With regard to Belgium, we are going to state a fact which will doubtless startle the Barrister, whose researches into the policy of foreign countries appear to have extended only so far as suit his purpose, despite the professions of impartiality and simple devotion to the truth, regardless whither it may lead, with which he prefaces his work. The Belgian government, then, on the 31st of December, 1848, repealed the then existing

sliding-scale on the importation of foreign corn, and imposed a nominal duty of fifty centimes per one hundred kilogrammes on its introduction. This change was only provisional; being in force for one year; but the experiment has been found so completely successful, that a law has been brought forward for again renewing it, preparatory to a final settlement of the question on the same basis. This law is accompanied by a report from the Finance Minister, establishing conclusively and unanswerably the beneficial results of this great step in the path of Free Trade. Moreover, nine-tenths of the total number of articles on which export duties were formerly levied in that country, were freed from those duties by Royal Ordinance of the 28th September, ultimo. So much for Belgium.

As regards America, it is absurd to speculate on what her future policy may be, and it is equally absurd to talk of her returning to a system of protection. *She has never left it*; and her tariff is now, under what is

most incorrectly described as a system of free trade, one of the most prohibitory in the whole world, the duties ranging as high as 100 per cent., and averaging 30 per cent. *ad valorem*. The squabble in the United States is not between Free Trade and Protection, but between more Protection and less Protection; and it can scarcely be denied that the less Protective Tariff of 1846 has filled the State coffers better, and given greater impulse to commerce than the more Protective Tariff of 1842. The experiment has not yet been tried as to what a Free Trade Tariff would do.

Here the Barrister stops short, and notwithstanding his deep anxiety to sacrifice himself on the altar of truth, if necessary, forgets to tell us of the countries that *have* made progress in the way of liberal commercial legislation. We will attempt to freshen his memory. Spain has just admitted our cotton manufactures into her markets, they having been hitherto rigorously excluded; and has at the same time effected great

reductions in the whole of her tariff; Russia has removed many of her prohibitions, and lowered the duties on many articles, among which may be specified lace, woollen manufactures, fish, earthenware, &c., and it is generally believed that a great commercial reform is contemplated by her; Norway has reduced her duties on cotton manufactures, various woollen goods, &c.; Denmark, those on unbleached linens, cotton shawls, woollen cloth, &c.; Austria, those on cotton, yarn, and manufactures, &c.; Holland, those on metals; the Two Sicilies, those on woollen, linen, and cotton manufactures, (amounting on the average to a reduction of fifty per cent.,) on yarn, on silk goods, on iron, &c.; Tuscany, those on silk manufactures, &c.; Sardinia, on corn of all kinds; the Roman States, on woollen, silk, and cotton manufactures, &c.; Mexico, on the same, at the same time that most of her prohibitions have been repealed. In short, with few and generally speaking unimportant exceptions, foreign countries are progressing, not quite

so rapidly perhaps as one might have wished, but still progressing, in the path of more enlightened commercial policy.

The Barrister concludes his section on this subject by quoting Dr. Franklin as to the way in which a great empire may be diminished. These remarks may be concluded by quoting an equally great authority—the same Dr. Franklin.

It were to be wished that commerce were as free between all the nations in the world as between the several counties of England. So would all, by mutual communication, obtain more enjoyment. Those counties do not ruin each other by trade; neither would the nations. No nation was ever ruined by trade, even seemingly the most disadvantageous. Whenever desirable superfluities are imported, industry is thereby excited and superfluity produced.

But no!—‘France has recently inaugurated the statue of Colbert at Rheims, his native city,’—and therefore Free Trade must be swept from the face of the earth as an unseemly thing.

THE END.

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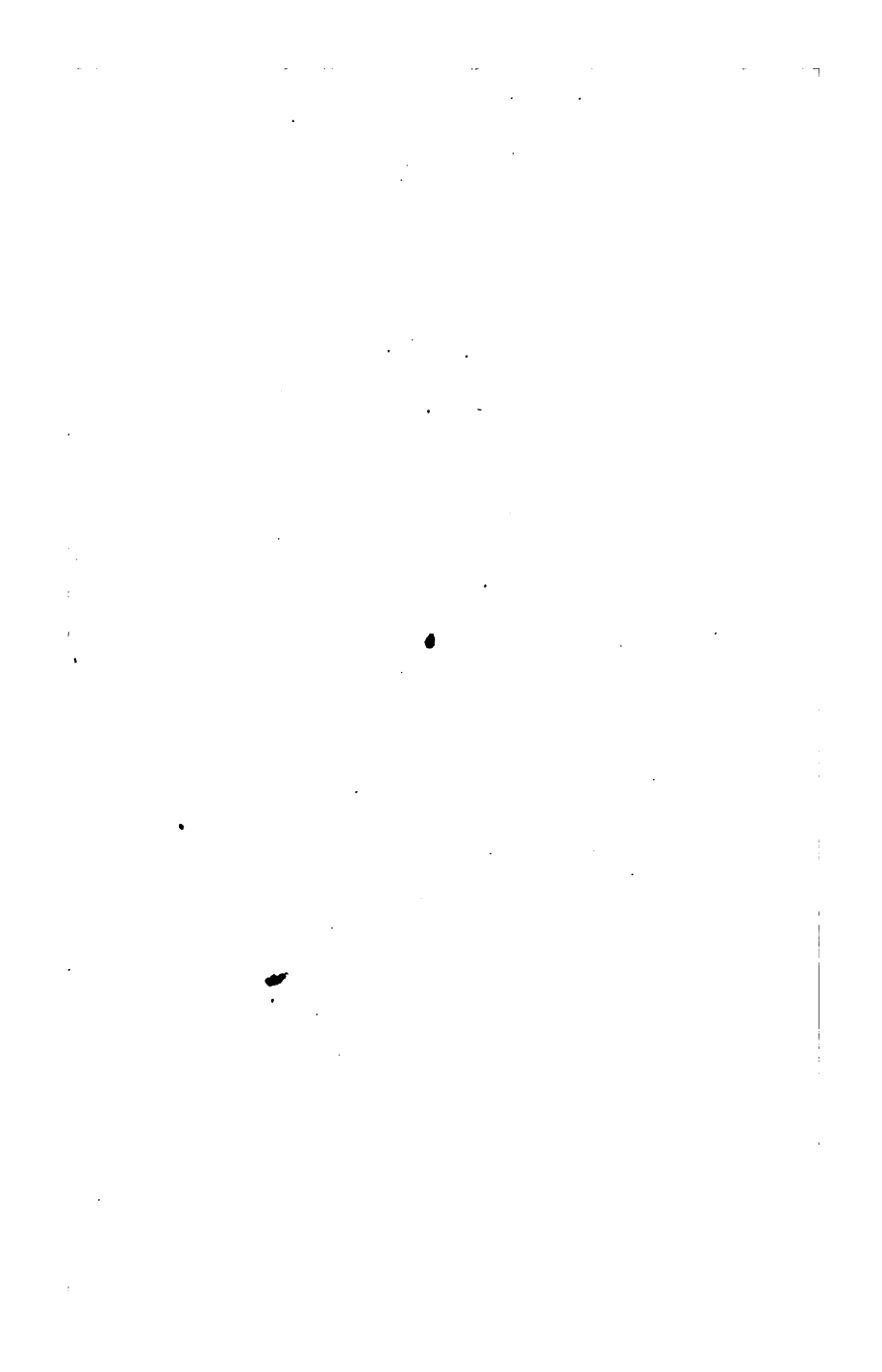
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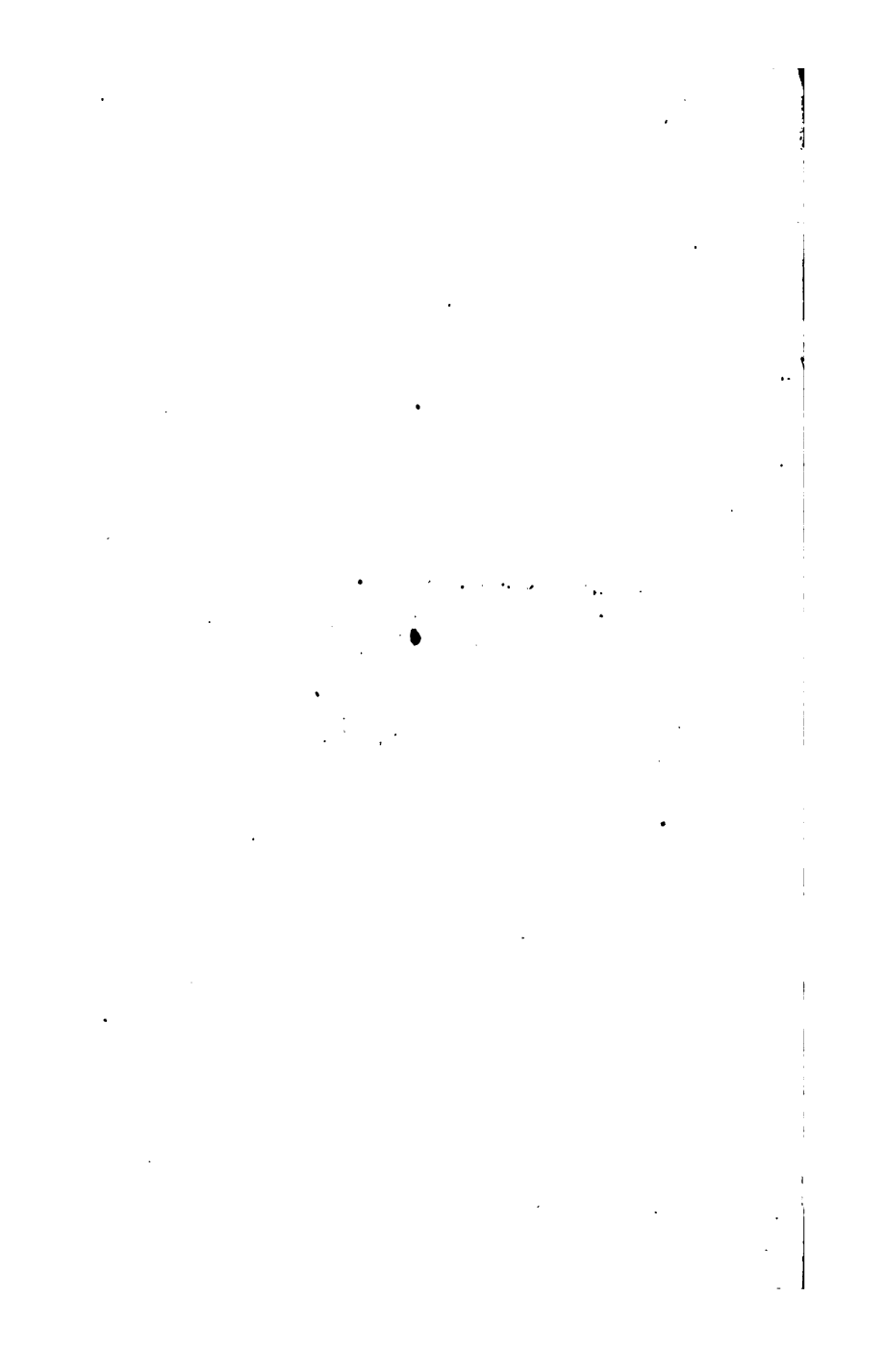
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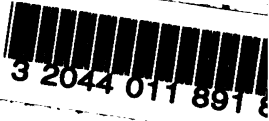
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